

P-427, 421/CP-85-652 ORDER REQUIRING FILING OF LOWER COST
ALTERNATIVE TO FLAT RATE SERVICE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Dee Knaak
Norma McKanna

Chair
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for
Extended Area Service Between
the Zimmerman Exchange and the
Minneapolis/St. Paul
Metropolitan Calling Area

ISSUE DATE: December 4, 1991

DOCKET NO. P-427, 421/CP-85-652

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COST ALTERNATIVE TO FLAT RATE
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PROCEDURAL HISTORY

On September 10, 1985, certain subscribers in the Zimmerman exchange filed a petition requesting Extended Area Service (EAS) between the Zimmerman exchange and the metropolitan calling area. The Commission began examining the petition under existing EAS Rules. This examination was prolonged by two developments. First, the telephone company serving the Zimmerman exchange, Sherburne County Rural Telephone Company (Sherburne or the Company), filed a notice of objection, requiring contested case proceedings. Second, the Commission consolidated this petition with other petitions for EAS to the metropolitan calling area. The consolidated proceeding also went to contested case hearing.

In April 1990 the Minnesota Legislature enacted new EAS legislation, which changed the standards for evaluating EAS petitions. On June 26, 1990, the Commission issued an Order finding that the Zimmerman exchange met the adjacency and traffic requirements of the new statute. That Order also directed telephone companies serving the Zimmerman exchange and the metropolitan calling area to file cost studies and proposed rates for EAS between Zimmerman and the metropolitan calling area.

On November 5, 1991, the Commission met on its own motion to consider when Sherburne should be required to file a plan for a lower cost alternative to flat rate service under Minn. Stat. § 237.161, subd. 1 (c) (1990).

FINDINGS AND CONCLUSIONS

Minn. Stat. § 237.161, subd. 1 (c) (1990) requires that local measured service or another lower cost alternative to flat rate service be available in exchanges with Extended Area Service to

the seven-county metropolitan calling area. The Commission generally requires the lower cost alternative to be developed and filed at the same time as the cost studies and proposed EAS rates. This allows the lower cost service to be described in the information accompanying the EAS ballot, ensuring a more informed decision by subscribers. In this case, the Commission inadvertently failed to require Sherburne to file its lower cost service alternative with its cost studies and proposed rates.

The Commission believes it would help Zimmerman subscribers to know the lowest rate at which they can receive service if they vote to join the metropolitan calling area. The Commission will therefore require Sherburne to develop a lower cost alternative service within 30 days of the date of this Order. Interested persons will have 20 days to comment on the lower cost alternative. Once a lower cost alternative service is approved, it will be described in the materials accompanying the Zimmerman Extended Area Service ballot.

ORDER

1. Sherburne County Rural Telephone Company shall file proposed rates for local measured service or another lower cost alternative to flat rate service within 30 days of the date of this Order.
2. Interested parties shall file any comments on the proposed lower cost alternative service within 20 days of the Company's filing.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)